

FY 2001 – 2006 PERFORMANCE BASED INCENTIVE**SECTION 1
General Information**

Title: Double-Shell Tank Caustic Addition

Project Baseline Summary (PBS): TW03

Work Breakdown Structure (WBS): 5.01.03.05.

Maximum Available Incentive Fee: Superstretch Fee Potential** = \$1,802K
\$813K (FY 2001)¹, \$989K (FY 2002)²

Type: Superstretch

¹FY 2001: \$8,026K** BCWS + \$813K Fee = \$8,839K Funds*²FY 2002: \$1,985K** BCWS + \$989K Fee = \$2,974K Funds

*Efficiencies realized in this SSPI have allowed additional scope to be performed.

**Superstretch fee set at 18%. BCWS and corresponding fee dollars subject to change based on approved BCR.

**SECTION 2
Technical Contacts***ORP Point of Contact: J. Swailes/D. Noyes**Contractor Point of Contact: D. Allen/M. Ostrom***SECTION 3
Performance Expectations and Earning Schedule****General:**

1. The Contractor's final fee will be determined in accordance with clause H.1, Performance Based Incentives and Fee Distribution.
2. Performance Based Incentives (PI) may be modified to reflect changes to the project baseline resulting from external drivers, such as, submission and approval of TPA change requests for consistency purposes.
3. Acceptable product completion represents technical adequacy and good value to the government.
4. ORP-19, Revision 1 was based upon a previously negotiated and/or approved PI for FY 2001. Previously approved PIs were deleted upon entering into the contract extension. Additional basis for Revision 1 of the PI are documented in Baseline Change Request (BCR) RPP-01-095 and RPP-01-123.
5. ORP-19, Revision 2 supercedes preceding statement #4 above (refer to BCR RPP-02-038 for additional basis). This change in sampling activities does not impact the available fee for those Expectations that have already been completed. See Attachment A.

SUPERSTRETCH (100%)

- A. Complete the addition of sufficient caustic to Tank AY-101 by September 30, 2001 to bring calculated bulk hydroxide concentration within chemistry specification – earn 6.9% of fee.
- B. Complete the addition of sufficient caustic to Tank AY-102 by September 30, 2001 to bring calculated bulk hydroxide concentration within chemistry specification – earn 6.9% of fee.
- C. Complete the addition of sufficient caustic to Tank AN-102 by September 30, 2001 to bring calculated bulk hydroxide concentration within chemistry specification – earn 16.4% of fee.
- D. Complete the addition of sufficient caustic to Tank AN-107 by January 30, 2002, to bring calculated bulk hydroxide concentration within chemistry specification – earn 20.8% of fee.

FY 2001 – 2006 PERFORMANCE BASED INCENTIVE

- E. Restore annulus ventilation flow to Tank AY-101, isolate source of water intrusion into the AY-101 annulus, and perform video inspection of the annulus for Tank AZ-102 by September 30, 2001. AN-107, AN-102, and AY-102 annulus ventilation systems must also be in operation in accordance with the existing baseline to earn this fee – earn 3.9% of fee.
- F. Replace Tank AN-107 corrosion probe by September 30, 2001 – earn 3.2% of fee.
- G. Procure an Ultra Sonic Testing (UT) crawler for the Tank Integrity Assessment Project by September 30, 2001 – earn 2.2% of fee.
- H. Develop a Double-Shell Tank (DST) chemistry surveillance program for corrosion protection by September 30, 2001 – earn 1.7% of fee.
- I. Complete verification sampling on Tanks AY-101, AY-102, and AN-102, and issue final report on chemistry status of tanks by September 30, 2002 – earn 2.3% of fee.
- J. Deploy new and modified nondestructive examination (NDE) and cleaner crawler system in Tank AY-101 by November 30, 2001 – earn 8.1% of fee.
- K. Complete inspection of Tank AY-101 with the new/modified NDE crawler systems by June 30, 2002 – earn 6.5%.
- L. Complete video and radiological evaluation (smear test) of potential tank wall penetration at two identified stained areas of Tank AY-101 by October 1, 2001 – earn 4.7% of fee
- M. Complete gas penetrant evaluation of potential tank wall penetration at two identified stained areas of Tank AY-101 by February 28, 2002 – earn 4.7% of fee.
- N. Complete video inspection of Tanks AW-101, AW-102, AW-106, AY-102, AZ-101, and AZ-102 by September 30, 2001 – earn 3.9% of fee.
- O. Complete the addition of sufficient nitrite to Tank AY-102 by November 30, 2001 to bring calculated bulk nitrite concentration within chemistry specification – earn 2.6% of fee.
- P. Complete grab sampling and analysis on Tank AZ-102 by December 30, 2001 – earn 1.7% of fee.
- Q. Complete an air lift circulator mixing evaluation on Tank AY-102 by September 30, 2002 – earn 3.5% of fee.

SECTION 4**Performance Requirements**

DEFINE COMPLETION: *(Specify Performance Elements and describe indicators of success (quality/progress). Include baseline documentation/data against which completion documentation should be compared.)*

Rebaseline scope, schedules, and completion milestones are provided in letter R. F. Wood, CHG, to J. J. Short, ORP, "Contract Number DE-AC27-99RL14047, Baseline Change Request for Definition and Funding of Action Plan to Respond to Defense Nuclear Facilities Safety Board Tank Integrity Issues," CHG-0004843 R2, dated November 17, 2000, including the "Double-Shell Tank Corrosion Mitigation Action Plan," and letter D. I. Allen, CHG, to A. B. Sidpara, ORP, "Contract Number DE-AC27-99RL14047; Transmittal of the Double-Shell Tank Integrity Program Plan." CHG-0007063 R1, dated February 8, 2001.

Completion of Expectations A-D shall be documented by CHG letter to ORP stating that the required calculated volume of caustic has been added to each tank per the specified Tank Farm Operating Procedure, with attached procedure data sheets.

Characterization data necessary to verify caustic addition calculations will also be provided. This will provide the basis showing the tanks should now be in specification. Post-caustic addition sampling and analysis completion is defined under completion of Superstretch I.

Completion of Expectation E shall be documented by CHG letter to ORP stating that the Tank AY-101 annulus vent system has been placed back into service per the applicable Tank Farm Operating Procedure, with attached procedure data sheets.

Completion of Expectation F shall be documented by CHG letter to ORP stating that the tank AN-107 corrosion probe has been replaced by September 30, 2001 as documented by an approved acceptance test report.

Completion of Expectation G shall be documented by CHG letter to ORP indicating that the UT crawler for the Tank Integrity Assessment Project has been procured, and attaching a copy of the receipt inspection report by September 30, 2001.

Completion of Expectation H shall be documented by CHG letter to ORP indicating that a plan containing a chemistry surveillance program for DST corrosion protection has been released by Document Control by September 30, 2001. Implementation of this plan by October 30, 2001 will be a quality criteria for payment of fee.

Completion of Expectation I shall be documented by CHG letter to ORP attaching a copy of final report on chemistry status of

FY 2001 – 2006 PERFORMANCE BASED INCENTIVE

Tanks AY-101, AY-102, and AN-102 by September 30, 2002.

Completion of Expectation J shall be documented by completion of test report and work package status sheets by November 30, 2001.

Completion of Expectation K shall be documented in a released report on the results of the Tank AY-101 UT inspection with the new/modified NDE crawler system per the approved inspection plan for this work by June 30, 2002.

Completion of Expectation L shall be documented by work package status sheets by October 1, 2001.

Completion of Expectation M shall be documented in a released report on the results of the Tank AY-101 stain evaluations by February 28, 2002.

Completion of Expectation N shall be documented by work package status sheets by September 30, 2001.

Completion of Expectation O shall be documented by CHG letter to ORP by November 30, 2001, stating that the required calculated volume of nitrite has been added to the tank per the specified Tank Farm Operating Procedure, with attached procedure data sheets. Characterization data necessary to verify nitrite addition calculations will also be provided. This will provide the basis showing the tank should now be in specification.

Completion of Expectation P shall be documented by CHG letter to ORP attaching a copy of final report on chemistry status of Tank AZ-102 by December 30, 2001.

Completion of Expectation Q includes corrosion potential testing and an air lift circulator mixing analysis and shall be documented by CHG letter to ORP attaching a copy of final report by September 30, 2002.

DEFINITIONS: (define terms)

Sufficient Caustic/Nitrite: Calculations to determine "sufficient caustic/nitrite" for Expectations A-D and O are based on the DST chemistry specifications contained in Tank Farm Technical Safety Requirement (TSR) HNF-SD-WM-TSR-006, Administrative Control 5.15, Table 5.15.1, and on tank characterization data.

The new/modified NDE crawler system in Expectations J and K, and the equipment for evaluating the stained areas of Tank AY-101 in Expectation L and M, shall be designed to reach, or assess, the areas of highest potential for corrosion or wall penetration, to the extent practicable with existing technologies.

The video examinations of Expectation N shall include video examinations through at least four (4) annulus risers and one (1) primary dome riser.

COMPLETION DOCUMENTS LIST: (Name the Documents, Databases, etc., which will be submitted to show completion for each Performance Expectation.)

Letters to ORP as indicated in Define Completion above.

ASSUMPTIONS/TECHNICAL BOUNDARY CONDITIONS: (For reasonably foreseeable impacts to performance that are not within control of Contractor. If the assumption or condition proves false, the remedy is renegotiations unless stated otherwise.)

Expectation E, for isolation of annulus water intrusion, is limited to water systems and pit sealing.

Expectation G, Contractor studies have determined that the UT crawler was the appropriate technology for performing the tank integrity assessment.

FY 2001 – 2006 PERFORMANCE BASED INCENTIVE

The transfer pump in Tank AN-102 can be made operable without having to remove or replace the pump.

Expectation J can be performed without amending the current Authorization Basis.

**SECTION 5
Signatures**

ORP Contracting Officer Representative/Date

CHG President and General Manager/Date

ORP Contracting Officer/Date

CHG Contract Representative/Date

Office of River Protection

Performance Incentive Number ORP-19

Revision No.2 Date: 05/03/02

	Revision 1 Fee Percentage	Revision 1 Fee Dollars	Status	Revision 2 Fee Percentage	Revision 2 Fee Dollars
A	6.30%	\$125,000	Complete	6.9%	\$125,000
B	6.30%	\$125,000	Complete	6.9%	\$125,000
C	14.90%	\$295,000	Complete	16.4%	\$295,000
D	18.90%	\$375,000	Missed	20.8%	\$375,000
E	3.50%	\$70,000	Complete	3.9%	\$70,000
F	2.90%	\$58,000	Complete	3.2%	\$58,000
G	2.00%	\$40,000	Complete	2.2%	\$40,000
H	1.50%	\$30,000	Complete	1.7%	\$30,000
I	4.30%	\$85,000	Sep-02	2.3%	\$42,150
J	7.30%	\$145,000	Complete	8.1%	\$145,000
K	9.60%	\$190,000	Jun-02	6.5%	\$117,690
L	4.30%	\$85,000	Complete	4.7%	\$85,000
M	4.30%	\$85,000	Complete	4.7%	\$85,000
N	3.50%	\$70,000	Complete	3.9%	\$70,000
O	2.30%	\$46,000	Complete	2.6%	\$46,000
P	1.50%	\$30,000	Complete	1.7%	\$30,000
Q	5.10%	\$100,000	Sep-02	3.5%	\$63,000
R	1.50%	\$28,000	Sep-03	0.0%	\$0
	100.00%	\$1,982,000.00		100.00%	\$1,801,840
	FY-01	\$813,000.00		FY-01 Fee	\$813,000.00
	FY-02	\$1,141,000.00		FY-02 Fee	\$988,840.00
	FY-03	\$28,000.00		FY-03 Fee	\$0